

Maine Legislature House Democratic Office

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Rep. McCabe: Budget challenges underscore need to strengthen Maine's economy, focus on jobs

Good morning, I'm State Rep. Jeff McCabe from Skowhegan, the new assistant Democratic leader in the State Legislature.

Thank you for tuning in.

Next week, newly-elected lawmakers will be sworn into the Maine Legislature -- and we will have to hit the ground running.

Earlier this week, we learned we already have immediate and significant budget challenges. We are looking at lower than expected revenues and higher than expected costs in MaineCare.

We are ready to roll up our sleeves to work with Republicans on a thoughtful and measured approach to grow our economy and resolve our budget problems.

During the last year, lawmakers from both parties spoke to hundreds of thousands of Mainers and business owners. They expect us to find common ground and get results. Democrats take this charge seriously. We know the problems we face are too big for one party to solve alone.

The LePage administration tells us that we face a projected \$100 million shortfall in the MaineCare budget. While enrollment in MaineCare, the state's health care program, has been cut during the past two years, costs continue to grow.

We hope we can now have an honest conversation about what is truly causing these continual budget problems within the department and work together to find real, long term solutions that not only solve our current budget problems but stop them from occurring in the first place.

In order to do this, we need to look at the big picture. We know five percent of the patients who participate in MaineCare – the elderly, disabled, and the very sick – generate 55 percent of the costs. Our solutions must address those cost drivers, not

take the easy way out by simply slashing programs and taking health care away from people who need it most.

The best way to do that is through better managing health care, putting a greater emphasis on prevention, and making care more efficient. After all, a check-up is much less expensive than a trip to the emergency room.

We must make thoughtful and strategic cuts that lower costs not simply shift them.

The sluggish state economy has also left us with a revenue deficit. Sales and corporate income tax are lower than expected because Maine's middle class is still struggling to make ends meet.

When Maine families have more money in their pockets, they spend it at the local grocery store, the hardware store, and at our small businesses on Main Street – that helps improve everyone's bottom line from our local shop owners, to our communities, and even the state budget.

The revenue shortfall underscores a larger problem in Maine's economy. And, it is exactly the reason why the Legislature must get to work immediately on measures that truly strengthen our economy and rebuild our middle class.

We must help put more people back to work. We need more jobs in the short term and we need a blueprint for attracting and maintaining good-paying jobs in the future throughout all of Maine - not just in urban areas. We need a better prepared workforce to meet the needs of today's employers and the jobs of the future.

We must have a vision for a better Maine.

We have an opportunity and obligation to work with the governor and our Republican colleagues and we are fully committed to doing just that.

Thank you for listening; I'm Rep. Jeff McCabe from Skowhegan.